

THE INADEQUATE USE OF POLICY PLANNING IN THE
DEVELOPMENT OF AN INDUSTRIAL PARK: CASE OF
THE DOUGLAS COUNTY INDUSTRIAL AUTHORITY
DOUGLASVILLE, GEORGIA

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Introduction

In recent years cities have witnessed a significant loss of population and a drastic reduction in their tax base. This has occurred as a result of what has been termed 'flight to the suburbs' by many white middle class families and businesses in an effort to escape the problems of the central city. Where as this flight has narrowed the tax base of the city and has robbed it of needed tax revenue, it has also caused problems for the suburban local governments which must now provide services for its new residents.

The massive migration of families to the suburbs has caught many local governments quite by surprise and virtually unprepared to meet the service demands of a drastic upsurge in population. More people necessitate provision of more public services and an increase in public service requires a corresponding increase in revenue to provide them.

The individual property tax has traditionally been the main revenue producing source of local governments, but local governments have become painfully aware of the inability of the property tax to keep pace with the increasing cost of public services. For this reason it has become necessary for local governments to seek new revenue producing sources to supplement the individual property tax.

This problem has been confronted in numerous ways by local governments. Solutions have ranged from the non-filling of vacant personnel positions to reductions in public services. One other alternative, which is the main concern of this paper is the expansion of the tax base of an area through industrial development. An industrially developed area has two significant

advantages over an industrially undeveloped area, (1) a diversified tax base, which is needed to finance local governmental operations, (2) employment opportunities for its residents.

Here the concern is not with the revenue producing capacity of industrial development, instead attention will be focused upon the technical aspect of development, specifically the need for policy planning as an initial pre-requisite before initiating an industrial development venture. This study is being undertaken to examine the necessity and use of planning policy and how it relates to the effective functioning of public authorities. Although this study is being confined to a particular authority, the Douglas County Industrial Authority, its findings and implications are applicable to the development of any industrial authority.

As a result of interacting with this authority, five problem areas resulting from inadequate policy planning by the Douglas County Industrial Authority have been identified; (1) failure to formulate definite goals and objectives and means of achievement, causing discrepancies in perceived functions, resulting in confusion and apathy among board members, (2) inadequate information concerning criteria for industrial site development, (3) failure to involve the community in the development and planning processes, (4) the inadequate use of professional consultation in determining the feasibility of development, (5) inadequate information concerning legal limitations of authorizing legislation.

The research technique utilized was that of a participant-observer, from which an attempt is made to describe and analyze the planning activity or lack of it involved in the development of the Douglas County Industrial District. Furthermore, through the use of planning and industrial development literature, proposed recommendations for solution of the problem are presented.

Limitations encountered in this study are due to the inadequate recording of minutes by the authority during its first two years in operation. Minutes taken during this period are very sketchy and incomplete, but it can be inferred from recent more complete minutes that inadequate planning and the resulting problems were present from the inception of the authority.

Setting

Douglas County, located in western Georgia, is approximately twenty-five miles west of Atlanta, and is included in the seven county Atlanta metropolitan area. Douglasville the county seat, is the only incorporated city in the county, with an estimated population of 46,400 and a median family income of \$9,298 per year. It is one of the fastest growing counties in the Atlanta region. According to current predictions this figure should increase ninety-four percent over the next fifteen years, placing the county's population at over 90,000 by 1990. Furthermore, the county has an unemployment rate of 5.3 percent, one of the lowest in the metropolitan area.¹ This is attributed to its status as a bedroom community with eighty to ninety percent of all employed persons living in the county deriving an income from outside the county.

The county's low unemployment rate and high median income range has attributed to an economic crisis in Douglas County government which has serious implications for the revenue producing capacity of the county. Although these factors are indicative of a relatively high degree of financial activity, this activity takes place outside of Douglas County. When used by themselves as indicators of economic growth, without taking into consideration existing economic variables, these two factors project a very misleading picture of the economy of Douglas County.

¹Atlanta Regional Commission, 1976 Population and Housing Report (Atlanta: Atlanta Regional Commission, 1976) p. 7.

Futhermore, these conditions, low unemployment and high median income, have rendered the county ineligible to receive certain federal funds that require high unemployment and low median income as criteria for eligibility. One such federal grant would be possible under the Community Development Program coordinated through the Office of Housing and Urban Development. Funds made possible through this program can be used to construct schools, sewerage systems and other costly public ventures needed to accomodate urban growth which at the present time Douglas County is financially unable to undertake.

To add to these problems, the county is void of major industry which has led to a serious dependency upon revenue generated from the property tax. Reference to major industry here are those types of industries having substantial revenue producing capabilities in the form of taxes and jobs. Industry has long been identified as one of the major indicators of local economic growth. For the past two and a half years property tax revenue has been greatly curtailed because the county has been plagued with a court sanctioned property tax strike which has cost local government in excess of \$3 million. If one takes into consideration the economic constraints placed upon local government by a property tax strike, a limited tax base, and misleading economic indicators, one can readily understand the financial crisis confronting local officials of Douglas County.

Many residents residing in Douglas County recently moved there to escape the problems of the central city, such as poor education, inadequate public services and high property taxes. They are now confronted with the same problems from which they were seeking relief. Like most local governments, Douglas County is dependent upon the property tax for revenue. This revenue source has encountered serious problems stemming from the narrow tax base of the county. For this reason the brunt of the tax burden is borne by

individual property owners. The inability of property taxes to keep up with the rising cost of public services has led to a financial crisis in the county which has resulted in double school sessions, deficit government spending and a slump in the delivery of public services.

The absence of a diversified tax base, i.e., industry to help ease the property tax burden, led the Douglas County Commission to establish the Douglas County Industrial Authority in 1973, for the expressed purpose of bringing industry into the county. Its authority is derived from the Development Authorities Law, No. 164, passed by the Georgia General Assembly, March 28, 1969. This piece of legislation states in general terms the function, scope, and limitation of local governing bodies. Certain specific details, such as the date and time of meetings are left to the discretion of the authority, and are included in the Bylaws of the Douglas County Industrial Authority.

Interest in the functioning of the Douglas County Industrial Authority developed as a result of a three month internship with the Douglas County Department of Planning. Daily exposure to the processes utilized in local governmental administration led to an enhanced understanding of Douglas County government. To further compliment this understanding and to become acquainted with the human element involved in governmental decision-making, encouragement was given to attend the regular meetings of the Douglas County Commission, the County's Planning and Zoning Board, and its Industrial Authority. Initial interaction with these boards was devoted to grasping a thorough understanding of their stated functions. In the course of attending the meetings of these boards, it became apparent that the Douglas County Industrial Authority was experiencing serious functional problems. With increased participation, more insight was gained into the functioning of this board, and it became

evident that the problems encountered by the board originated from a lack of adequate planning.

The purposes of the Development Authorities Law are to develop and promote for the public good and general welfare trade, commerce, industry and employment opportunities and to promote the general welfare of the State.² It is maintained that, although the enabling legislation provided for the creation of authorities to promote industrial growth, it was not in itself a mandate for success, but the point from which success could emanate through adequate planning and development.

The authority has now been operative for the past three and a half years with only minimal results. Failure to achieve its objectives has contributed to a disillusioned industrial board and an industrially undeveloped county. The main obstacle impeding the achievement of the objectives of the authority is centered around the absence of a definite planning policy. This management oversight has destined the authority to an existence in chaos until such a time corrective measures are taken to rectify the situation.

²Development Authorities Law, General Acts and Resolutions, sec. VII, vol. 1 (1969).

The Nature and Importance of Planning

Dr. Fred Polak has developed a theory which argues that, "the future of a civilization, a country, or a people is determined in large measure by its images of the future. He contends that it is possible to measure these images of the future and that it may be possible to alter or adjust them and thus to guide a nation's or a people's future. According to Polak, if a society has optimistic ideas, dynamic aspirations, and cohesive ambitions, the civilization will grow and prosper. If it exhibits negative trends, uncertain ideals, and hesitant faith, it is in danger of disintegrating. The basic concept is that by thinking about the future, one may create that future according to his image."³

Eventhough, Polak's theory borders on romantic idealism, his emphasis on the importance of the future focuses upon the necessity for planning, in that one cannot logically prepare for the future without planning. Taking this theory one step further one can infer that planning is strategically linked to the survival of an organization, a people, or a civilization.

The first approach to planning should be essentially logical with emphasis on the objectives of both the organization and the society within which it operates, this will lead to preplanned programs for desired behavior in the form of policies, procedures and standards.⁴

³David I. Cleland and William R. King, Management: A Systems Approach (New York: McGraw-Hill, Inc., 1972), pp. 488-489.

⁴Edwin B. Flippo and Gary M. Munsinger, Management (Boston, Mass.: Allyn and Bacon, Inc., 1975), p. 29.

This approach suggests that out of logical planning will evolve programs which are operative, responsive and capable of realizing the objectives of both the organization and society. Thus out of planning should develop, (1) an organization's intended output, i.e., the purpose, goal, objective, or mission of an individual or an organization, (2) definite courses of action, i.e., the process of thinking through what resources and what actions must be accomplished to reach those goals, (3) cost-benefit analysis, i.e., the determination of the most effective allocation of resources and actions, (4) established tests of quality, i.e., criteria for appraising how effectively predetermined strategy and goals are being pursued.

For the purpose of this paper, planning is viewed as a "process of strategic choice."⁵ The writer feels that this view will facilitate the understanding of the 'problem' set forth earlier in this paper. Friend and Jessop propose that, "any process of choice will become a process of planning (or strategic choice) if the selection of current actions is made only after a formulation and comparison of possible solutions over a wider field of decision relating to certain anticipated as well as current situations."⁶ According to this proposition planning is used to describe any coordinated set of future intentions, which also take into consideration certain alternative sets of intentions depending on whether certain specific future situations do or do not arise. To further substantiate their proposition, Friend and Jessop developed planning models (Appendix A, Figure 1) which depict the interaction that takes place between a community and a government

⁵J. K. Friend and W. N. Jessop, Local Government and Strategic Choice (Beverly Hills: Sage Publications, 1969) p. 101.

⁶Ibid., p. 110.

system at different stages in the planning process. Each model will be discussed during the course of this paper.

The above premise will be used to develop and to substantiate the contention that inadequate planning resulted in the inability of the Douglas County Industrial Authority to achieve its objectives, to promote industrial development in Douglas County. In relation to the community it serves, a local authority is both a regulator and a provider. On the one hand, it regulates certain aspects of behavior and development within the community, on the other, it procures and uses resources, powers, and information in order to provide a variety of services for the members of that community.⁷ The Douglas County Industrial Authority was presented with just such a task, which if performed successfully would culminate in industrial growth and development in Douglas County.

The need for positive results in this endeavor was great, but its failure was almost insured when the authority failed to formulate definite goals and objectives and means of achievement during its initial development stages. The Douglas County Commission together with the Industrial Authority and a few informed citizens promoted the idea of industrial development for the county, maintaining that, if the authority handled its task effectively and responsibly the end result would ultimately ease the financial problems faced by the county. This enthusiasm coupled with the sincere belief that Douglas County had the essentials necessary to promote industrial development, resulted in a very optimistic Development Authority. Furthermore, the authority is by law an independent entity which is bound only by the broad limitations and interpretation of the Development Authorities Law. This

⁷Ibid., p. 101.

body is also endowed with self-sustaining powers including, raising and disposing of revenue, issuing revenue bonds and establishing credit. These provisions acted as a shield against the financial problems of the county, in that the authority was not dependent upon Douglas County government for financial resources.

Unfortunately, this enthusiasm and optimism would be replaced by apathy, confusion and dissension among individual members. This apathy was not precipitated by the loss of positive attitudes (members were convinced of the need for industrial development), but instead by the lack of identifiable objectives, which would have facilitated cohesiveness among members of the authority. Whereas previously, the group acted as a whole, individual ideas and objectives became the dominant theme.

A more striking characterization of the authority is the fact that no definite role prescriptions were defined and authority members were not aware of their particular roles. For example, there were only two identifiable active positions, that of Chairman and Treasurer. The chairman was the administrative head of this body, while the treasurer handled all matters involving finance, thereby being the two most important positions on the authority. The importance of these positions were not indicative of the manner in which they were executed. Administrative matters were usually delegated to the Director of Planning or the industrial development consultant, while the treasurer frequently attended meetings inadequately prepared to give complete and accurate financial reports upon request. Moreover, there were no active standing committees. Committees were usually of an ad-hoc nature, formed for specific one time purposes, with designated committees becoming functional only when the specific need arose. Behavior such as this frequently resulted in squabbles concerning accountability and the dedication of individual members to the task at hand.

It is not difficult for one to perceive that such a blatant disregard of planning for achievement of objectives would ultimately result in the stagnation of authority efforts. For example, meetings were held only to rediscuss what had been discussed in previous meetings. The statement, 'we can't seem to get off dead center,' frequently voiced by one authority member more than adequately speaks to this point. Because the absentee rate of members made it difficult to achieve a quorum (four members were needed), meetings were frequently cancelled and decision-making which necessitated the approval of the entire body was seriously hampered. It was evident that authority members were dedicated to the need for industrial development, but without goals and objectives directed toward achievement, their efforts were little more than noble gestures.

Although this authority was aware of the circumstances out of which it evolved, it did not extend this awareness to include specifying objectives and a course of action to achieve them. Again, Friend and Jessop refer to this sequence of events as beginning with a 'situation' arising within the community system which may appear in the form of a clear-cut demand, or less explicitly through the use of more diffuse and continuous forms of pressure. An appraisal of the situation will lead to a choice of actions within the governmental system (unless the action selected is one of doing nothing for the time being), thus modifying the original situation. Continuing in this same frame of reference, this series of events executed correctly would necessitate the 'selection of response' by the governmental system to the situation. In order for the selection to be successful it must be operational, that is, "it is not a single act but a complex of interrelated acts performed simultaneously or in sequence, which leads to the

accomplishment of some desired outcome."⁸

There are three successive stages in the operation of selecting an appropriate response (see Appendix A, Figure 2), (1) an initial understanding of what kind of problem it is that the situation creates for the governmental system, or what kind of response is called for, (2) the process of formulation and comparison of alternative actions, (3) the choice of one particular course of action.

In the case of Douglas County (community system), the fiscal crisis created by the lack of a viable economic base (situation), prompted the County Commission (government system) after an appraisal of the situation, to embark upon a choice of action resulting in the creation of the Douglas County Industrial Authority. Such action if successful, would bring about a positive change in the economic condition of the county, thus modifying the original situation. This series of events led to the selection of response. The response selected was one of promoting industrial development, which was believed to be right or appropriate for the situation at hand (it was at this point that the planning process became inoperative). The selection of a response should have set in motion the process of formulation and comparison of alternative actions, culminating with the designation of a specific course of action that would facilitate most the accomplishment of the desired outcome. A formal commitment is then generated and intervention into the community system begins.

Objectives are of considerable value in motivating and directing individuals. "When one knows why he is doing something, he is often more willing to become involved and committed. Knowledge of system objectives

⁸Ibid., p. 103.

should enable some self management, since criteria are available to judge the propriety of specific acts."⁹ Organization objectives also provide the basis for cooperation and the development of good morale. Each member of an organization has differing and sometimes conflicting personal goals, but analysis of the system and its intended outputs helps to identify the role and contribution of all toward common system objectives. In the classical view of efficiency, no job or person should be in the system if it or he does not make a net contribution to system goals.

The importance of the policy planning process cannot be disputed, for out of careful planning evolves clear objectives, policies, procedures and standards. Of these, objectives and policies take precedence in importance, in that objectives relate to the motives which underlie individual and organizational behavior, while policy refers to the formal strategies and rules by which objectives are to be reached. As indicated, a disregard for the planning process will result in vague undefined objectives and policies which will ultimately result in the stagnation of organizational efforts.

The Douglas County Industrial Authority serves as an excellent example of an organization that neglected to utilize the concept of planning in the formulation of its objectives. As a result, it was riddled with internal conflict that resulted in a disillusioned authority and an undeveloped county. Although policy planning does not provide a panacea for all of the problems that will be encountered during industrial development, it does provide a viable beginning which if used systematically will result in goal oriented activity.

The following section is also concerned with the industrial authority's

⁹Edwin B. Flippo and Gary M. Munsinger, Management (Boston, Mass.: Allyn and Bacon, Inc., 1975) p. 39.

inadequate use of planning, with major emphasis upon the effect that this oversight had upon planning the use of resources to achieve organizational objectives.

Resource Planning and Goal Achievement

Almost every community believes, at least until it completes a careful audit of resources, that it has what it takes for industrial development and Douglas County was no different. Shortly after its creation in 1973, members of the Douglas County Industrial Authority purchased what is now referred to as the Douglas County Industrial District. It consists of approximately three-hundred acres of land intended to accomodate industrial development in the county. Such a district would allow industries to locate in close proximity to each other, thus operating on the principal of 'economy of scale', while at the same time enabling the authority to concentrate its efforts and finances toward the development of one major industrial site, instead of numerous sites dispersed throughout the county. This became a most important factor because almost any site chosen would require varying degrees of land development in order to render it suitable as a marketable industrial site.

The Douglas County Industrial District was a disaster, and was frequently referred to as 'a white elephant'. Although it could have been developed, development could have been achieved only at considerable cost. The district is characterized by (1) three-hundred acres of eroded barren land which would have required extensive grading to make level, (2) shallow bed rock (rock 2 to 5 feet from surface) which severely limits the use of individual package treatment plants, (3) inadequate utilities, water and gas supplies were not adequate to accomodate a concentration of heavy industry. A sewerage system was not available and the nearest connection was two miles away and would require up-hill installation, (4) no access road to the interior of the site.

Had the authority taken into consideration criteria used to identify suitable industrial sites, it could have prevented or minimized numerous future problems. An industrial area must be desirable from the standpoint of location, utilities, and reasonable cost. The characteristics that constitute a good industrial site are:

- (1) Controlled by public or quasi-public organization or private group concerned with industrial development and available at a reasonable, firm price.
- (2) An adequate amount of suitable land, ordinarily ranging in size from a minimum of five acres to a maximum of 25 to 50 acres.
- (3) Convenient access to transportation facilities.
- (4) Availability of utilities: water, gas, electric power, and waste disposal facilities within economic reach.
- (5) Topography that is fairly level (or land that can be leveled to permit economical site development) and permits good drainage.
- (6) Protection from encroachment of non-compatible land uses, such as residential development, by zoning.¹⁰

If planning had been utilized an audit of the county's resources would have been completed. This audit would have provided a thorough and objective evaluation of the county's limitations, liabilities and deficiencies.

Utilization of this procedure coupled with adequate knowledge of criteria used to determine suitable industrial sites, would have lessened the chances of the authority to purchase land that would prove to be virtually useless when used as an industrial development site.

An audit of resources would have shown that the county lacked a number of basic requirements for industry, thus directing the authority's initial efforts toward a development program designed to facilitate needed

¹⁰Georgia Institute of Technology, Characteristics That Constitute A Good Industrial Site, Atlanta, Georgia, 1976. (Typewritten.)

improvements. Furthermore, it would have displayed the need for alternatives to compensate for the county's immediate inability to provide a developed site to accomodate heavy industry. For example, one alternative would have been to consider those industries that would not require extensive use of public utilities, such as distribution facilities, which could be adequately served by individual package plants until a sewerage system became available.

The inability of the authority to sell tracts of land from its industrial district seriously curtailed the revenue producing capacity of its most valuable asset. If the authority had given adequate attention to industrial site criteria (thus realizing the physical limitation of the site), and the importance of planning the use of resources for the accomplishment of objectives (men, money, material, physical plant and machines), its chances for success would have been greatly improved.

Establishment of the organization's intended output objectives is of crucial importance to the management process that follows.

"Before we can plan programs and determine what is to be done, where and when that action is to take place, we must, of course, know what it is we hope to accomplish. Objectives should control the size, shape, and design of the organizational components--personnel, functions, and physical factors."¹¹

Here again, the necessity of establishing objectives is made clear. These objectives are necessary to provide direction to both the organization and the planning of the use of resources to achieve organizational goals. There will be considerable difficulty encountered during resource planning in the absence of identifiable objectives as was evident by the problems

¹¹Edwin B. Flippo and Gary M. Munsinger, Management (Boston, Mass.: Allyn and Bacon, Inc., 1975) p. 39.

experienced by the Douglas County Industrial Authority. It can be stated that the most critical aspect of planning after the initial formulation of objectives is the planning of resources to accomplish objectives. From planning evolves a systematic set of activities which requires completion of each successive step before proceeding further. Neglect of any step along the continuum will result in discrepancies in that activity which is the focus of the planning process.

The Douglas County Industrial Authority failed to realize that planning for the use of resources and the achievement of objectives are strategically linked together. One could say that the relationship that exists between them is one of mutual dependency, i.e., one cannot be achieved without the other. As a result of the authority's failure to plan, no objectives were established and consequently there was no incentive to plan for the means to accomplish objectives that did not exist.

Successful planning also requires that an organization explore all areas that are of primary importance to the achievement of organizational objectives. The industrial authority's primary function was to promote industrial development in the Douglas County community, and community support is vital to the success of an industrial development effort. From this, one could conclude that community participation should have been planned and encouraged.

Planning for Community Participation

George I. Whitlatch's, A Manual for Industrial Development, is the primary reference source utilized in addressing the problems posed in the next two sections of this paper. An adequate case depicting the use and importance of policy planning in formulating objectives and allocating resources has been set forth in previous sections of this paper. Although community involvement and the use of technical assistance can conceivably be referred to as resource planning (see chapter II), the writer feels that individual attention is warranted to emphasize the impact of these two areas upon the overall effectiveness of the Douglas County Industrial Authority.

Community participation is of vital importance to the successful functioning of many public organizations, and if present emphasis is any indication of future emphasis, this trend should continue. The significance placed upon community involvement has been most pronounced in recent years, as we have witnessed a drastic increase in community based projects and an upsurge in requests and demands for citizen input.

Friend and Jessop refer to the relationship between a community system and a governmental system as one in which the governmental system (in this case a local authority) procures and utilizes resources, powers, and information in order to provide a variety of services for the members of a community. Interaction between the two systems only occurs at two identifiable points, first, when a problem is identified and second, when a course of action has been determined and agreed upon. Community participation was utilized in the formulation of objectives, or in deciding upon

a course of action. This is indicated by the absence of a two-way flow of information across the boundary lines separating the two systems (see Appendix, A, Figure 2).

Whitlatch, on the other hand, maintains that government and community must work closely together (facilitating continuing interaction) in order for program objectives to be achieved. On this issue he states,

"Once agreement is reached as to the program, it should be thoroughly publicized and explained to the whole community because the community must be sold on the program if it is to receive the full and active support of the citizenry."¹²

Community, as it is used here, denotes both individual citizens as well as business groups, church groups, civic organizations or any other organized groups within a community that are capable of contributing to the organized pool of labor, resources and support needed to undertake an industrial development project. For example, an organized and informed community could initiate projects designed to upgrade municipal services and improve public education. More importantly, it can apprise public officials of ways of dispensing tax dollars that would facilitate achievement of the task at hand. This becomes especially effective in small communities where public officials are easily accessible. Such community improvement projects are especially important when one considers that the quality of a community's schools, municipal services, medical facilities, housing, etc., play an important role in a community's ability to attract industry. Just as communities evaluate prospective industry to determine their overall effect upon the community, industry also evaluates communities using the same criteria.

¹²George I. Whitlatch, A Manual for Industrial Development (Atlanta, Georgia: Georgia Institute of Technology, 1966) p. 13.

Such an evaluation by prospective industry in Douglas County would have revealed that the county's public school system was inadequate and experiencing serious financial problems, municipal services were almost nonexistent, and the county's hospital was critically understaffed. The critical problem here is not the severity of the limitation, but instead the industrial authority's failure to recognize that these limitations did exist. If planning had been utilized, recognition of the limitations of the Douglas County community would have necessitated the development of strategies designed to modify or alleviate these problems. Solutions to the array of problems that will undoubtedly be encountered during industrial development, reiterates the fact that such a project was not intended to be a group effort, but a community effort.

The most obvious indication of the community's lack of involvement and support for the county's industrial effort was their absence from authority meetings. Although meetings were open to the public and publicized, participation was almost nil. Moreover, there were only two occasions on which a member of the Douglas County Commission was in attendance. Since the public was aware of the authority's existence their lack of participation was probably attributable to an ignorance of organizational objectives and functions, precipitated by the authority's failure to take these factors into consideration during its initial planning stage. Because of such inadequate planning it failed to realize that the Douglas County community was also, a most valuable asset, especially when its long-range financial support would be needed if this venture was to be successful.

Furthermore, community participation becomes critically important when one takes into consideration the financial situation encountered by the

industrial authority. It had exhausted its borrowing capacity (by initially borrowing the money to purchase the industrial district), it could not sell undeveloped tracts from its industrial district (restricting repayment of the original debt), and it could not issue revenue bonds, because by law, the authority was solely responsible for retiring any bonds issued. In the final analysis the Douglas County Industrial Authority was financially bankrupt and the Douglas County community was a potential, though limited source of revenue. Eventhough the community could not provide the revenue needed to finance the entire industrial development effort, it could provide the support and dedication needed to demonstrate to other potential revenue sources that the Douglas County community stood firmly behind its industrial authority. The importance of planning as it relates to community participation and industrial development is further emphasized by the following statement,

"The local industrial development program, to be successful, must be based on a community-wide recognition that continuing economic growth necessarily results only from local effort. In stimulating the broad community participation essential to an industrial development program, the objectives of that program must be sold to the, 'man on the street'."13

The county's industrial authority did not plan for community involvement and consequently did not take into consideration the necessity of public understanding and appreciation of its functions and objectives. It failed to realize that communities sometime do not support worthwhile programs of which they are fully aware, and are even less inclined to support those of which they are totally ignorant. An uninformed community can prove to be more of a hinderance than a help, for ignorance inevitably fosters fear and apprehension. An attempt should be made to educate the public even if it is

¹³Ibid., p. 9.

not a total success. In this particular case, a little success is far better than none at all.

Generally speaking, people are considered to be a community's most valuable asset. The relationship that exists between community participation and successful industrial development lends credence to this assertion. The Douglas County community emerged as being the one vital segment upon which the success of the entire project depended. By not encouraging community participation, the industrial authority created for itself an impossible task. It was not feasible for the authority to conclude that a seven member board could effectively manage all of the details necessary to successfully execute an industrial development project.

The inadequate use of planning by the Douglas County Industrial Authority has been the dominant theme throughout this paper. It has been cited as the cause of many of the problems encountered by the industrial authority. In the next section this theme has been expanded to include the authority's use of technical assistance, the assertion being, if technical assistance had been fully utilized, many of the problems resulting from the initial lack of planning could have been identified and corrected.

Planning, Professional Guidance and Industrial Development

In order for an industrial development project to proceed successfully it becomes necessary for the organization to understand and use the techniques of sound industrial development promotion, made possible by industrial development workshops and seminars or industrial consultants.

Added to the problems experienced by the Douglas County Industrial Authority were the difficulties it encountered as a result of inadequate use of technical assistance during the initial planning for the Douglas County Industrial District. Resulting problems can be traced to the inability of the industrial authority to fully utilize the services and expertise of its industrial consultant which would have necessitated the realization by the authority that it did not possess the skills necessary to successfully organize an industrial development effort.

If one is to adequately address the concerns set forth above, the central question becomes, at what point did the authority request the services of a consultant. Was it prior to the purchase of the industrial district or after the purchase had taken place. The latter would imply that the authority had a consultant on staff and failed to fully utilize him, while the former would imply that the consultant had been employed after the district had been purchased and his technical expertise was not utilized. The position is taken that regardless of when the consultant was employed, the fact still remains that technical assistance was not utilized to the fullest extent. This sequence of events would have taken on a different significance if the use of technical assistance had been optional, but it

was a necessity, especially if one takes into account that no one on the authority had any prior industrial development experience.

The need for such an inference became necessary when a reliable source that could provide the information needed was not forthcoming within the time frame set for this paper. It is felt that the position taken by the writer adequately speaks to the question posed and at the same time maintains the integrity of this document.

Eventhough the industrial authority did not plan adequately, extensive use of its industrial consultant could have provided valuable assistance in identifying potential problem areas, while at the same time directing the authority toward planning activity designed to correct past mistakes and give direction to the future. Personal observation revealed that the industrial authority had its own ideas concerning the expected role and behavior of its industrial consultant, and right or wrong it showed no inclination to alter these expectations. For this reason the consultant to the Douglas County Industrial Authority served in two identifiable capacities, namely that of a scapegoat and as an appeasement figure.

The term scapegoat is used to denote the authority's efforts to shift the blame away from itself for its planning and development failures. To this body the role of an industrial consultant was one of bringing industry into the county with little regard for what the county had to offer. Anything less than this was seen as failure on the part of the consultant to do his job and had little if anything to do with the poor planning of the authority itself. Furthermore, the consultant was to behave in a manner that would appease the authority, obviously to soothe the indignation of its failure, while positively reinforcing the authority's most absured notions. The following statement by an authority member speaks to this concern.

"Eric, in all due respect to you, and we are not trying to reprimand you, but we have talked about this often times over the years. It is my understanding that you are to advise us, to cater to us, and to assist us in what we need to do, rather than lecture us in what we are or are not doing. We receive any advice or information you give in a good attitude but we would like you to relate to us your opinion and let it stop at that."¹⁴

The position taken by the industrial authority had a stifling effect upon the efforts of its industrial consultant, and it soon became obvious that the authority was not willing to allow him the flexibility needed to perform his job. Such an attitude could have been attributed to the authority's belief that it did not require the services of a consultant which would lead one to ask the question, why was a consultant hired? A more realistic assumption is that the industrial consultant could have represented a threat to the integrity of the board, a reflection upon their inability to succeed without outside help. The failure of the authority to this point was not due to any deficiency on their part as individuals, but instead was due solely to their lack of planning as a group. Blind to the reality of the situation, the authority rendered a most valuable resource inoperative. Questions concerning their integrity as a group probably arose after they did not accept the technical assistance they obviously needed.

There will be some discussion in the concluding section concerning certain legal provisions as cited in the Development Authorities Law. Again, the problems that were encountered in this area may have been avoided if the industrial authority had planned adequately.

¹⁴Minutes of Meetings of the Douglas County Industrial Authority, Douglasville, Georgia, Meeting of July 26, 1976. (Typewritten.)

Related Legal Factors and Violations

In planning for the achievement of objectives members of an organization must be cognizant of the importance of research. Research is necessary to gather background information and data pertinent to the achievement of organizational objectives, and it can also be instrumental in providing insight into problem areas which an organization should avoid, commonly referred to as 'profiting from the mistakes of others'. The relationship between research and successful planning is appropriately depicted by the adage, 'it is just as important for one to know from whence he has come, as it is for him to know where he is going'. This statement suggests the existence of a reciprocal relationship between the two. Many studies conducted to investigate search activity indicate that, "increased search behavior increases the chances of planning success."¹⁵

Indepth inquiry into the functioning of other industrial authorities probably would not have eliminated all of the problems precipitated by the Douglas County Industrial Authority's lack of planning, but such information could have been helpful in directing the authority's efforts toward those areas that had facilitated success for other authorities and insight into ways of effectively handling or avoiding problem areas. The industrial authority's failure to research thoroughly all aspects of industrial

¹⁵Alan C. Filley, Robert J. House and Steven Kerr, Managerial Process and Organizational Behavior (Glenview, Illinois: Scott, Foresman and Company, 1976) p. 457.

development having a direct bearing upon the outcome of its efforts is manifested in the discrepancies that exist between what is stated in the development authorities enabling legislation and the application made by the authority. Specific reference is made to Section IX, which specifies the extent to which debts can be incurred by an industrial authority. It states,

"No bonds or other obligations of and no indebtedness incurred by any Authority shall constitute an indebtedness or obligation of the State of Georgia or any county, municipal corporation or political subdivision thereof nor shall any act of any Authority in any manner constitute or result in the creation of an indebtedness of the State or any such county, municipal corporation or political subdivision. All such bonds and obligations shall be payable solely from the revenues therein pledged to such payment, including pledged rentals, sales proceeds, insurance proceeds and condemnation awards, and no holder of any such bonds or obligations shall ever have the right to compel any exercise of the taxing power of the State or any county, municipal corporation or political subdivision thereof nor to enforce the payment thereof against any property of the State or any such county, municipal corporation or political subdivision."¹⁶

The Development Authorities Law as passed by the Georgia General Assembly is the foundation upon which the Douglas County Industrial Authority is based. This law not only gives substance and legitimacy to the activities undertaken by this industrial authority, but it also specifies the boundaries in which authority activities must be confined in pursuit of its objectives.

In total disregard of such boundaries and in direct violation of Section IX of the Development Authorities Law, the Douglas County Commission agreed that the county would pay all interest on the loan used to purchase the industrial district, which represents a direct indebtedness of the taxpayers of Douglas County. The interest payment on the loan is approximately \$44,000 per year and has covered a period from 1973 to the present. Initial negotiation of the loan agreement made payment on the

¹⁶Development Authorities Law, General Acts and Resolutions, sec. IX, vol. 1 (1969).

principal contingent upon the actual sale of property. One could conclude by referring to previous sections in this paper that eventhough inadequate planning was generally responsible for the overall problems encountered by this authority, an uninformed public and poor citizen involvement was responsible for the continued blatant misuse of tax revenue. In a county where inadequate public services are accepted as the status quo, a \$44,000 per year expenditure for property that has virtually no revenue producing capacity now or in the future, is a senseless waste of taxpayers money.

Had the industrial authority researched the enabling legislation to determine what was and was not legal, such a flagrant violation of the law and waste of tax revenue may not have taken place, so much for hindsight. Presently, the Douglas County Industrial Authority is fully aware of the legal constraints imposed upon it by the Development Authorities Law. It is now faced with the decision to either default on the loan or continue to depend upon the county for financial support. Because of recent citizen inquiries into the legality of the financial relationship that exists between the county and the industrial authority, it is most unlikely that this arrangement will continue for very much longer. The only other option available to the authority is to default on the loan which would leave the 'bank holding the bag'. But defaulting on such a large loan (\$155,000), would make it virtually impossible for the authority to borrow the money needed to finance another industrial site.

At this point the industrial authority's greatest assest is the future. There is very little it can do but begin again. Hopefully it has profited from its mistakes, then again maybe it has not. It is quite possible that the authority does not contribute its failure to a lack of planning, if this is the case it will forever begin to begin again.

Conclusion and Recommendation

Implicit throughout this paper has been the contention that most of the problems encountered by the Douglas County Industrial Authority resulted from its failure to utilize the process of policy planning. Utilization of the planning process would have systematically directed the authority's efforts toward goal oriented activity. The authority's failure to plan rendered it inoperative, with most of its energy being consumed in resolving internal conflict and rhetorical stalemates. Thorough and careful planning can also greatly facilitate an organization's attempt to gain public legitimacy, especially where public support is vital to the survival of the organization, as in the case of the Douglas County Industrial Authority.

Planning assists an organization in specifying its objectives while identifying a series of activities which will result in the achievement of its objectives. A statement of objectives should be the first step of any planning activity because they serve as the direction for both organizational and individual performance.

Recommendations for the solution of the problems encountered by the Douglas County Industrial Authority are centered around the future use of policy planning. As stated in the previous sections of this paper, legal ramifications severely limit the authority's alternatives, it has little choice but to begin again. The extent of problems precipitated by inadequate planning, and the length of time these problems have persisted, would at this time make compensatory planning activity almost impossible. For this reason the authority's future is strategically linked to the

extent to which policy planning is utilized in directing organizational activity toward future industrial development efforts.

If the Douglas County Industrial Authority decides to undertake another industrial development venture the utilization of established planning procedure will eliminate most of the problems that facilitated its initial failure. As indicated throughout this paper, the authority has at its disposal most of the essential resources needed to render it a success, providing the use of these resources has been planned and are included in an all inclusive planning process which is directed toward the achievement of organizational objectives.

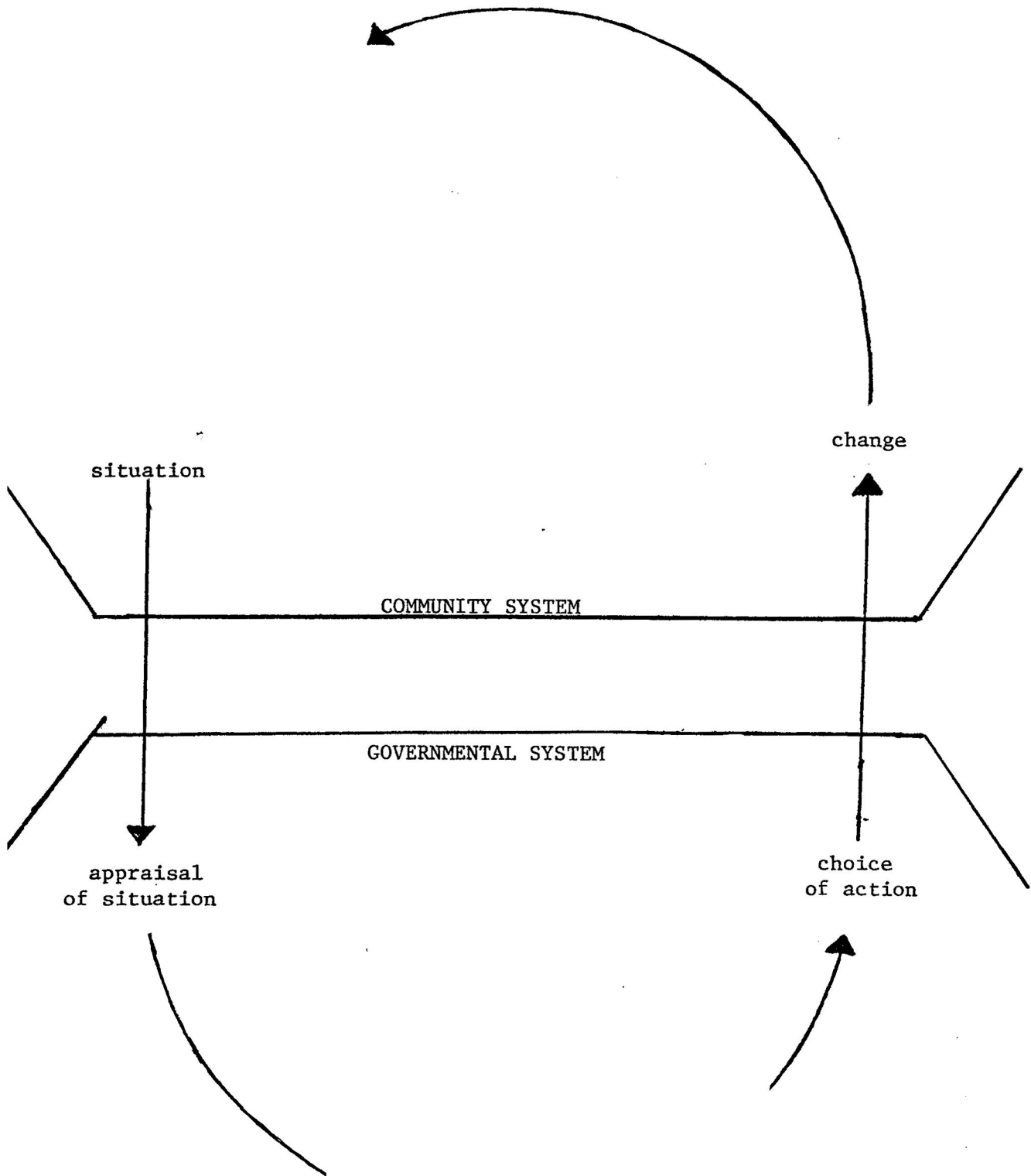
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APPENDIX

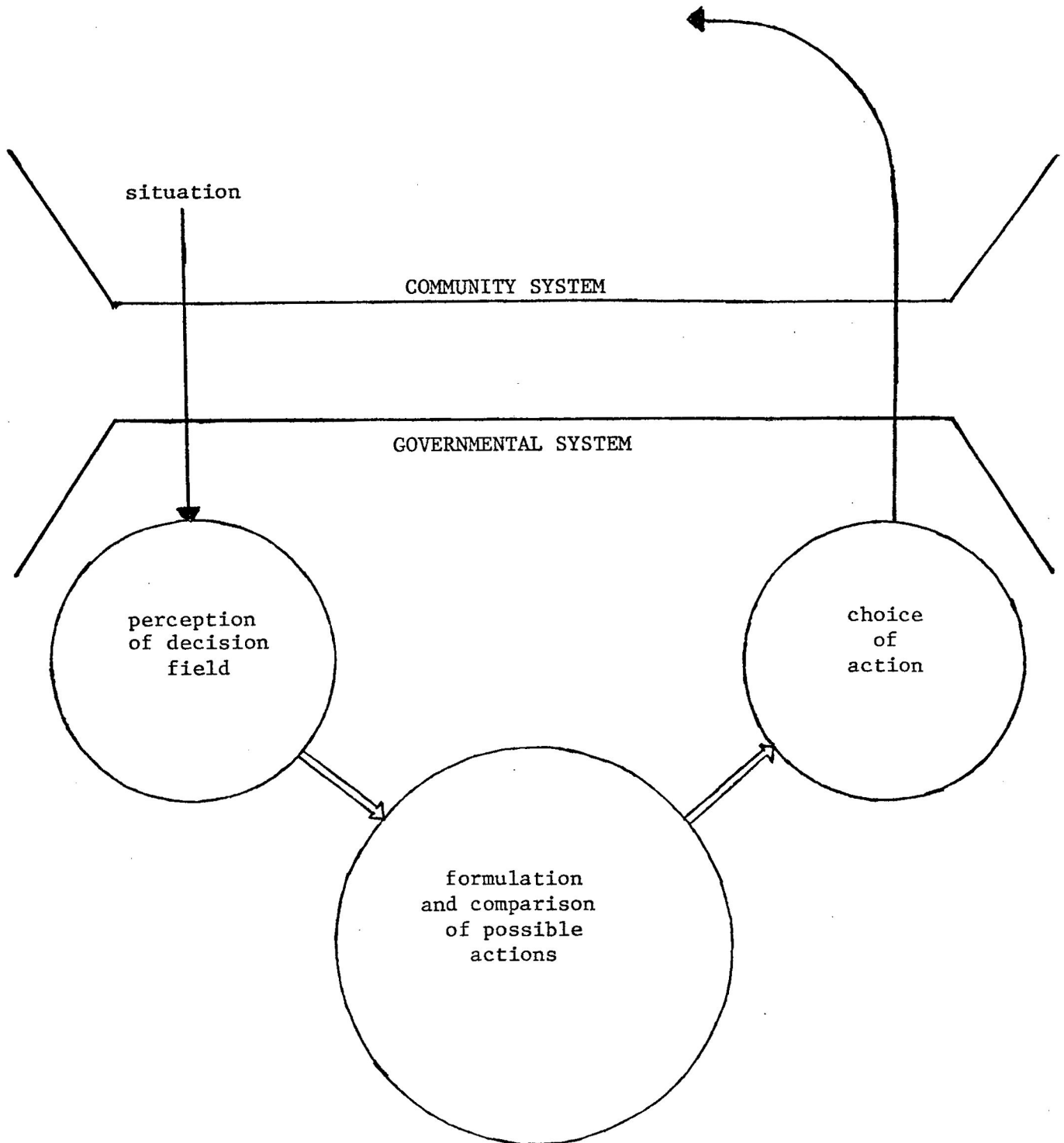
Appendix A

Figure 1



Appendix A

Figure 2



¹⁸Taken from J. K. Friend and W. N. Jessop, Local Government and Strategic Choice (Beverly Hills: Sage Publications, 1969) p. 104.